

Detroit Public Schools Legislation

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Shared Goals with SBs 710 & 711

- **Improving access to high-quality educational options for Detroit's children**
- **Improving academic achievement**
- **Ending Emergency Management / Returning Local Control**
- **Protecting Detroit students and taxpayers across the state from the financial collapse of the state's largest district**

Detroit Public Schools: History

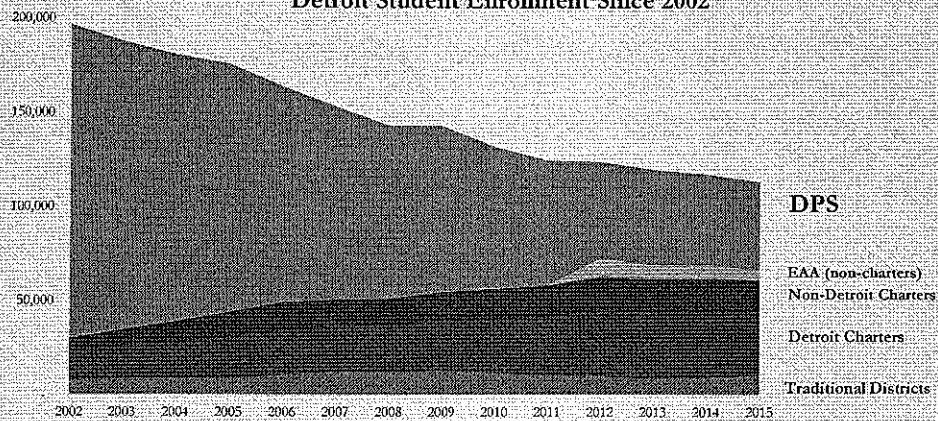
- Created in 1842
- Enrollment peaked at 285,304 students in 1966
- A proud history of achievement and success for many generations
- Current enrollment decline began in 1998
 - Tracking, in large part, the population decline in Detroit
 - Parents choosing alternatives had an impact, as well

Detroit Public Schools: Status

- Detroit Student Population (as of Fall 2015)
 - Total within DPS district boundaries: 113,200
 - Students enrolled in DPS: 46,912 (41%)
 - Students enrolled in charters (In-district): 34,079 (30%)
 - Students enrolled in charters (Perimeter districts): 16,520 (15%)
 - Schools of Choice (Perimeter districts): 10,505 (9%)
 - EAA (excluding 3 charter schools): 5,178 (5%)

Detroit Public Schools: History

Detroit Student Enrollment Since 2002



Detroit Public Schools: Status

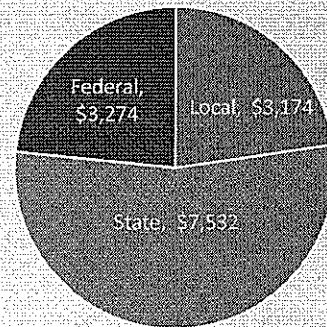
- Staffing
 - 25% reduction in overall staff from 2011 to 2014
 - 9% reduction in average teacher salary
 - Currently \$57,758, down from \$63,607 in 2012
 - Statewide average is \$62,169
 - Student-Teacher ratio is 28 in Detroit
 - Student-Teacher ratio is 23 statewide

Detroit Public Schools: Status

- **Per-Pupil Funding**

- Foundation Allowance: \$7,434 per pupil (most districts are between \$7,391 and \$8,169)
- State - At-Risk: \$23.6 million
- State - Special Education: \$42.3 million
- State - MPSERS UAAL Stabilization: \$33.7 million
- Federal – Title I: \$120.2 million

DPS FY'15 Revenue Sources (in per-pupil dollars)



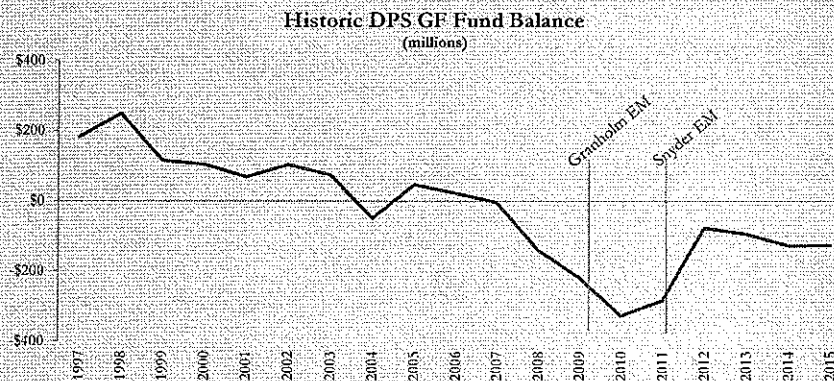
Detroit Public Schools: Financial Distress

OPERATING DEBT SERVICE SIPHONS \$1,100 PER PUPIL FROM THE CLASSROOM

- Accumulated operating deficit (projected June 30, 2016): \$515 million
- Capital Debt (principal only): \$1.54 billion

NOTE: Audited books show a structurally balanced budget for year ended June 30, 2015, when debt service is removed.

Detroit Public Schools: Financial Distress

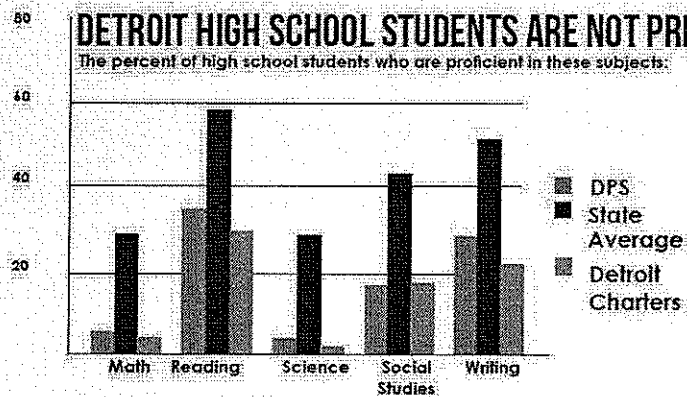


Detroit's children: Academic status

- Detroit is the nation's lowest-performing urban school district, with just 7% of high school students proficient in math and just 5% proficient in science
- Two-thirds of students in Detroit are not proficient at reading

Source: 2014 MEAP

Detroit's children: Improving achievement



www.mi.gov/DetroitKids

Detroit's children: Improving achievement

- Legislation would result in \$1,100 more per pupil in the classroom
- Better financial and operational stability will help attract and retain high-performing faculty, administrators and staff
- Better facility use and conditions can improve the learning environment
- Schools that serve their students well should have more freedom to keep doing the good work they are doing
- We need clear lines of accountability; the State School Reform Office will ensure that every student has access to a quality school

Protecting taxpayers & students statewide

- With bankruptcy
 - DPS would be run under judicial order
 - Local and state control would be severely limited
 - A more immediate - and much larger - impact to the SAF is likely
 - Focus would be on finances, not academics

Protecting all taxpayers statewide

ACTION

Local Control

FRC accountability

Cost to Michigan taxpayers

\$715 *million*

over 8 to 12 years

NO ACTION

Uncertain Cost

Uncertain Timing

Estimated cost to Detroit and
Michigan taxpayers

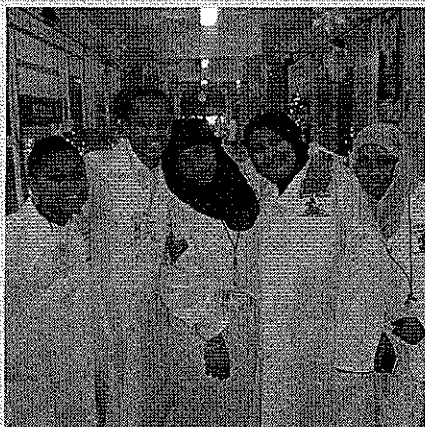
\$2.3 to \$4.8 *BILLION*

over approximately 23 years

Schools are a vital piece to Detroit's comeback

- More stability in the schools will create sustainable neighborhoods for future growth
 - More students
 - More community involvement
 - Larger tax base for additional local funding
- Ending the financial crisis will remove the need for an Emergency Manager
- Safeguards will protect the district and taxpayers from future financial instability

Questions?



Davison Elementary-Middle School
FIRST Robotics "Techno Dragons"